

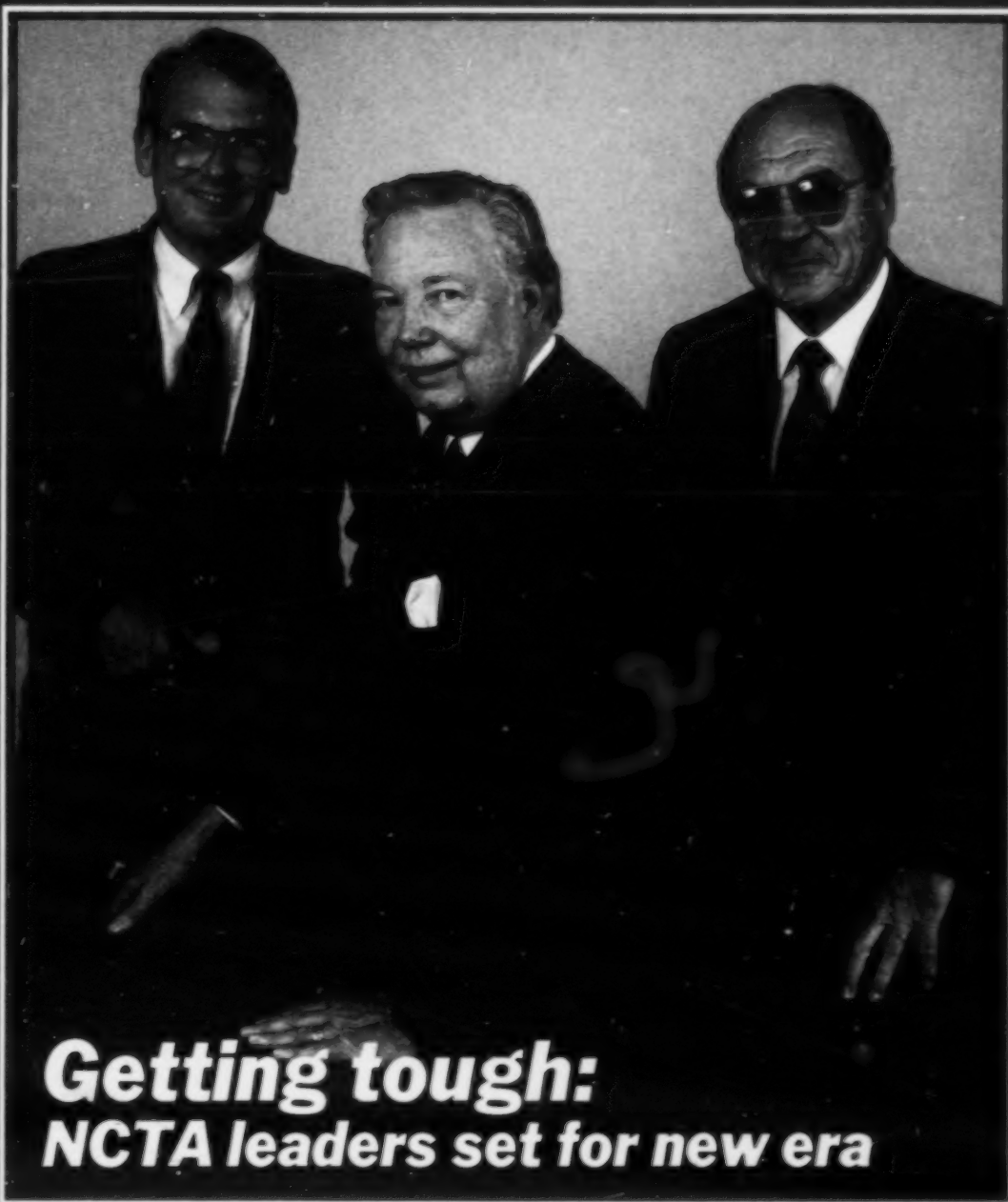
- Justice Dept. eyes broadcast obscenity law application to cable
- Heritage to bid on Dallas cable system
- Spate of city court actions aimed at slowing rate dereg
- New L.A. system doing well with no scalebacks

C4722-2
NCTA Pre-Show Issue

CableVision

The news and features weekly of the cable television industry

May 20, 1985



Getting tough:
NCTA leaders set for new era

Leading the week 11-34

U.S. examining regulations

The Justice Department has been quietly examining federal criminal statutes governing obscenity and profanity in broadcasting to see if they can be applied to cable television.

Heritage expanding?

In what would be a major departure in strategy, Heritage Communications is expected to make an offer to buy Warner Amex's troubled Dallas cable system.

Storer survives battle

Although the results of a proxy fight for control of the company has been delayed, Storer Communications' current management will maintain a majority on the board.

Mile Hi in default

Mile Hi Cablevision has been declared in default on its loans, but according to its management, it's purely a technicality.

Interesting convention ahead

A variety of challenges facing the industry, together with an optimistic financial outlook, promise to make this edition of the NCTA convention an intriguing one.

Losses for Texscan

Texscan Corp., the cable television equipment manufacturing company, is expected to post operating losses during the fourth quarter of last year and for the entire year ended April 30. Analysts believe, however, the company can survive.

CTAM plan

The Cable Television Administration and Marketing Society is finalizing plans for an industry database program which would track subscriber trends and activity.

Bid for MTV

Warner Amex has received a bid for its two-thirds equity stake in MTV Networks Inc. Making the offer is a partnership of senior MTV officials and a Boston venture capital firm.

Warner Amex decision near

The improving financial health of Warner Amex has led to a flurry of activity surrounding its possible sale or eventual breakup.

Fee for Lifetime

Lifetime has announced it will institute a per-sub fee beginning in January. Officials say the plan is necessary to assure the network's ability to break even in 1986.

Pacific injunction denied

A federal judge has denied a preliminary injunction by Pacific West Cable Co. that would have allowed the firm to start building a cable system in Sacramento.

Overbuilds in Cleveland?

There is a proposal afoot in Cleveland to allow all three bidders for the cable franchise to build the city.

L.A. seeks settlement

The city council in Los Angeles has ordered the city attorney to explore the possibility of settling Preferred Communications lawsuit.

A grateful Los Angeles

So pleased with the job Copley/Colony Harbor Cablevision has done, the city of Los Angeles will be commending the firm during an upcoming city council session.

Off-premises controller designed

Control Com has designed an off-premises addressable controller for multifamily housing developments. The device handles up to 60 channels and secures eight tiers of service.

National standard ahead?

CNI's 'budgetary formula' may help revolutionize the way the cable industry allocates national advertising budgets.

Cities turning to courts

In what is becoming a growing trend to test the 'margins' of the new Cable Communications Policy Act of 1984, more and more cities are asking courts to rein in operators' efforts to raise rates.

USN eyes low-power market

United Satellite Network is changing course—from a basic cable service plan to the LPTV market.

Varying views on pay-per-view

Cable industry executives were split in their opinions about the future of pay-per-view in a recent gathering in Boston.

COVER STORY



Ed Allen, Bill Strange and Jim Cownie met with *CableVision* Executive Editor Fred Dawson and Washington correspondent John Wolfe to discuss the NCTA's agenda and major industry issues.



Huey Lewis

Review.....36

The second sitcom on the WTBS schedule, *Safe at Home*, has only one virtue: it's not leering. Robert DiMatteo finds the series totally inane. There is good fare ahead, however, when Huey Lewis and the News perform on Showtime.

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Cap Cities to sell entire cable division

NEW YORK—Capital Cities Communications will sell its entire 54-system cable division, despite the fact that the FCC is currently considering whether to eliminate its rule prohibiting television stations from owning cable systems, according to joint proxy statements filed by Capital Cities and ABC last week. The statements were filed in anticipation of annual meetings to be held in New York City, June 25 by ABC and Cap Cities in which stockholders will be asked to approve the acquisition of ABC by Capital Cities for \$3.5 billion.

Ron Doerfler, chief financial officer for Capital Cities, said that the decision not to seek a waiver in the case of the cable systems was reached in the interest of "consummating the merger with ABC as quickly as possible." More than 367,000 subscribers will come on the market as a result of the divestiture.

Most analysts are saying that the influx of subscribers will not seriously affect system values. Not only are there more buyers in the market at this time than sellers, but also the number of subscribers itself is not considered large.

According to Doerfler, Cap Cities will seek to sell all its systems to one buyer. Analysts such as Wertheim & Co.'s David Londoner and Donaldson, Lufkin & Jenrette's Dennis Leibowitz said that because the systems are fairly small and widely scattered, that is the most likely form the sale will take. Not surprisingly, Tele-Communications Inc., and the Comcast Corp., both of which have announced public debt and equity offerings within the past two months, were mentioned as possible

buyers for Cap Cities' systems.

The time frame for the sale is not yet known as the systems have not been put on the market yet. Eventually, the cable system sales are expected to generate up to \$375 million.

Cap Cities is moving more quickly with its television and radio station sales, which like the cable systems, must be sold to satisfy regulatory requirements on media ownership. Broadcast

and radio sales, which include 19 systems, could garner as much as \$1 billion. Television stations up for sale include three Capital Cities stations and one ABC station. Capital Cities has asked for a waiver for its largest television station—WPVI-TV in Philadelphia. Fifteen radio stations will also be sold. Goldman, Sachs is handling all divestitures for Capital Cities.

—Virginia Munger Kahn

Corrections

Bresnan Communications was the company inadvertently omitted from last week's top 100 MSO chart. The 92nd-ranked operator, based in White Plains, N.Y., owns six systems and serves 44,644 subscribers.

An article in the **Leading the week** section of the May 6 issue of *Cable-Vision* incorrectly stated the subscriber count as 4,000 for the TCI system in Boulder, Colo. The system actually has 11,000 subscribers.

The Times Fiber executive referred to in our story on the financial condition of cable hardware companies (*CV 5/13/85 p. 19*) is Kenneth Coleman, senior vice president and general manager for the company's cable products division.

HSN
HOME
SHOPPING
NETWORK

**PREMIERES
NATIONALLY**
JULY 1, 1985 ON SATCOM III

HSN is a seven-year-old, 24-hour a day, live, discount shop-at-home T.V. service that is 100% cable oriented. HSN has processed more than 6,000,000 orders since 1982. HSN is a proven winner that rolls out nationally July 1, 1985 on SatCom III.

**\$\$\$,\$\$\$ FOR
OPERATORS WHO
CARRY HSN**



Live Home Shopping
Millions in bargains
and Thousands in prizes

WHAT CABLE LEADERS SAY ABOUT HSN

- "Vision Cable and HSN have pioneered the cable shopping concept, and we feel that it is instrumental in the acquisition and retention of the basic cable subscriber."
Tom Cruden, Vision Cable, Clearwater
- "Nothing has created as much excitement about cable TV in the community since cable was first introduced."
Tom Davis, Storer Cable, West Pasco
- "We feel that it is one of the strongest services we offer our subscribers."
Beverly Harms, Gulfstream Cable, Dunedin
- "HSN is a strong retention tool; it is viewer active, involving the viewer in the service as a buyer."
David Dea, Group W Cable, St. Petersburg

Affiliation agreements with \$\$\$,\$\$\$ are available. Contact:

Chuck Bohart, V.P. Corp. Development
Executive Offices, The Home Shopping Network
• 1529 U.S. 19 South, Clearwater, FL 33546
Phone: 813-530-9455
See us at the NCTA Booth #2960



HOME SHOPPING NETWORK

AMERICA'S ORIGINAL LIVE DISCOUNT SHOP AT HOME T.V. SERVICE

See us at the NCTA, booth # 1718

CABLE STATS

Cable services subscriber count

Satellite-fed national services

Basic services	Affiliates	Subscribers
ACTS Satellite Network	182	2,955,000
Arts & Entertainment	2,000	12,500,000
Black Entertainment Television (BET)	432	9,033,719
Cable News Network (CNN)	7,780	32,262,000
CNN Headline News	2,403	16,284,000
C-SPAN	1,900	21,000,000
CBN Cable Network	5,551	28,017,000
Country Music Television	314	4,900,000
ESPN	9,900	35,700,000
Eternal Word Television Network (EWTN)	232	2,400,000
Financial News Network (FNN)	1,050	18,100,000
The Learning Channel	661	5,735,700
Lifetime	2,400	24,900,000
Modern Satellite Network (MSN)	51	10,550,000
Music Television (MTV)	3,100	26,200,000
The Nashville Network	2,250	22,160,000
National Christian Network (NCN)	91	1,333,000
National Jewish Television (NJTV)	247	5,569,000
Nickelodeon	3,800	24,900,000
Pacific Cable	NA	NA
PTL The Inspirational Network	1,200	13,000,000
Satellite Program Network (SPN)	525	11,800,000
Silent Network	242	7,200,000
SIN Television Network†	348	29,405,100
Trinity Broadcasting Network	409	5,772,000
USA Network	4,200	29,700,000
Video Hits One	423	5,500,000
The Weather Channel	1,630	17,000,000
WGN-TV	6,515	15,714,000
WOR-TV	1,378	5,231,220
WPIX-TV	152	1,385,000
WTBS-TV	8,656	33,111,000

Pay services

American Extasy	4	40,000
American Movie Classics	90	235,000
Bravo (only)	210	335,000
Cinemax	3,200	3,333,000
The Disney Channel	2,300	1,800,000
GalaVision	230	160,000
Home Box Office (HBO)	6,900	14,500,000
Home Theater Network (HTN)	400	300,000
Showtime	3,200	5,400,000
The Movie Channel	2,900	3,200,000
The Nostalgia Channel	55	175,000
The Playboy Channel	550	800,000

Audio services

Cable Radio Network	5	300,000
Lifestyle	125	2,400,000
Moody Bible Institute	47	600,639
Satellite Jazz Network	14	828,000
Satellite Radio Network	50	403,000
Star Ship Stereo	3	146
WFMT Chicago	158	1,041,000

Text services

AP News Cable	350	4,000,000
AP News Plus	6	145,000
Cable Sportstracker	5	275,000
Dow Jones Cable News	170	2,372,784
Electronic Program Guide (EPG)	235	4,484,000
Genesis Storytime	20	630,000
Reuters News View	325	3,250,000
UPI Data Cable	450	4,000,000

Non-satellite-fed national services

Bicycled services	Affiliates	Subscribers
Fuji Network	6	4,655
Nippon Golden Network	7	8,400
Vector Consumer News	12	325,000
Vector Consumer Shopping Guide	15	407,000

Regional entertainment services

Basic services	Affiliates	Subscribers
Atlanta Interfaith	7	150,000
Bay Area Religious Channel (BARC)	6	113,400
Buffalo Sabres Hockey	13	460,000
The Ecumenical Channel	6	148,000
KTVT	46	1,074,000
Life Newsvision	24	36,000
Madison Square Garden	57	1,800,000
Meadows Racing Network	14	446,000
MetroChannel	1	116,000
Newsday Cable	1	240,019
Texas Cable Network	12	730,000

Pay services

Dodgervision	28	NA
Home Sports Entertainment—Houston/Dallas	78	130,000
Home Team Sports	47	83,000
New England Sports Network	72	53,279
PRISM-Philadelphia	88	375,000
Pro-Am Sports	84	102,000
The Superchannel	NA	NA
SportsChannel (New England)	63	95,000
SportsChannel (New York)	45	400,000
SportsVision (Chicago)	22	105,000
Z-Channel	21	95,000

Announced services

Regional services	Expected Launch
Box Seat	2nd quarter 1985

Satellite-fed services

Apollo Entertainment Television	TBA
The BuenaVision Channel	TBA
Cablelix	TBA
The Choice Channel	11/85
The Discovery Channel	6/85
Discovery Computer Network	9/85
Discovery Financial Network	9/85
Discovery Music Network	6/85
El Canal Musical	4th quarter 1985
Ethnic Radio Networks	2nd quarter 1985
The Exchange	4th quarter 1985
Home Shopping Channel	7/85
International Business Network	3rd quarter 1985
Magicable	TBA
Movie Time	9/85
Satellite Concert Network	TBA
Stardome Cable Stereo	6/85
United Satellite Network	3rd quarter 1985
X*Press	6/85

Note: Figures for affiliate and subscriber counts will be updated quarterly unless information is provided by the service. Send information to: CableVision Magazine, Attention Cable Stats, P.O. Box 5208-T A. 80217. NA denotes not available. TBA denotes to be announced.

† Total SIN reach. Spanish-speaking households 3,860,500. Source: Subscriber and affiliate counts are provided by the program service for International Thomson Communications Inc.

National cable advertising

This chart lists national advertisers on the basic cable networks. Some listings are partial.

A&E

AT&T (R)
BMW (R)
Buick (R)
Dannon (R)
Dean Witter (N)
Ford (R)
GM (R)
Hitachi (R)
Hormel (N)
IBM (N)
Kodak (R)
Merrill Lynch (R)
NCR Computers (N)
Nissan Motors (N)
Paul Masson (N)
Prudential-Bache (R)
Ralston Purina (R)
Smith Corona (R)
State Department of
California Tourism (R)
Tourism of Thailand (R)

BET

Adolph Coors (R)
American Beauty Products
(R)
Anheuser-Busch (R)
AT&T (R)
Campbell's Soup (R)
Carson Products (R)
CBS Records (R)
Coca-Cola (R)
Eastman Kodak (R)
Ford (R)
HBO (R)
Hershey (R)
J.C. Penney (R)
Johnson & Johnson (R)
KFC Corp. (R)
Kraft (R)
McDonald's (R)
Mobil Oil (R)
Nike (R)
Pepsi-Cola (R)
Proctor & Gamble (R)
Pro-Line (R)
Quaker Oats (R)
Sears Roebuck & Co. (R)
Showtime/TMC (R)
Soft Sheen Products (R)
Thompson Medical (R)
Universal Pictures (N)
U.S. Army (R)
U.S. Marine Corps (R)
U.S. Postal Service (R)
Warner Lambert (R)
William Wrigley Jr. (R)

CBN Cable Network

Anheuser Busch (R)
Bristol Myers (R)
Campbell's Soup (R)
Chrysler (R)
Ford (R)
General Foods (R)
General Mills (R)
Honda (R)
Johnson & Johnson (R)
Lever Brothers (R)
Miller Beer (R)
Nabisco (R)
Sterling Drug (R)
Warner-Lambert (R)

C-SPAN*

Centel (R)
DuPont (R)
Eastern Airlines (R)
Gannett (R)
GM (R)
M/A-COM (R)
McDonnell Douglas (R)
Time (R)

Dow Jones Cable News

American Express (N)
Charles Schwab (R)
Consumer Reports (R)
Forbes Stock Guide (R)
Hertz (R)
Jack Anderson's
Washington Letter (R)
Pavarotti (R)
Sheridan (R)
Smithsonian magazine (R)
Standard & Poor's (R)
Xerox (R)
Zions First National Bank
(R)

ESPN

Arrow Staplers (N)
B.F. Goodrich (R)
Delta Faucets (R)
Diner's Club (N)
Duracell (R)
Hitachi (R)
IBM (R)
HBO (R)
Kawasaki (R)
Lorimar (N)
Mark Scott Sportswear (N)
Nissan (R)
Orion Pictures (R)
Pan Am World Airways (N)
Time (R)
Toshiba (R)
Universal Pictures (R)

FNN

Allstate Insurance (R)

Avis (R)
AT&T (R)
Barrons (R)
Canon Copiers (R)
Charles Schwab (R)
Chicago Board of
Exchange (R)
Chicago Board of Trade (R)
Chrysler (R)
Compaq Computers (R)
Emery (R)
Ford (R)
GMA (R)
GM Corporation (R)
Hayes Computers (R)
Hitachi (R)
ITT (R)
John Nuveen (R)
National Car Rental (R)
Oldsmobile (R)
Prudential-Bache (R)
Quick and Reilly (R)
Ramada Inn (R)
United Airlines (R)
Wall Street Journal (R)
Xerox (R)
Zion Banking (R)

Modern Satellite Network

American Motors (R)
Anheuser-Busch (R)
California Raison Advisory
Board (R)
Federal Reserve Board (R)
Hawaii Visitors Bureau (R)
International Paper (R)
Korean National Tourist
Commission (R)
Mercedes Benz of North
America (R)
Philip Morris Inc. (R)
Steelcase (R)
Tobacco Institute (R)
United Airlines (R)
U.S. Army Corps of
Engineers (R)
Washington State Apple
Commission (R)
World Book (R)

SPN†

Air Jamaica
American Artist magazine
Asia Society
AT&T
Bank Hapoalim
Bayer
Business Times
Casio
Chamber of Enterprise
Chesebrough Ponds
China Beer
Clorox
Coca-Cola
Cone Thread
Continental Airlines
Dow Jones

El Al
ESTV Tours
Evenflo
Fisher Pen
Gerber
Grolsch Beer
Heinz
Holiday Inns
Kimberly Clark
Los Angeles Bank
National Insurance
New Zealand Meat Exports
New Zealand Railways
New Zealand Tourism
Commission
Nikon
Nutrition Center
Rubbermaid
Scott Paper
Sears Roebuck & Co.

The Learning Channel

Barron's Report (R)
Charles Schwab (R)
Courage To Be Rich (R)
Living Classics (R)
Malcolm E. Smith (R)
Microwave Cookbook (R)
Scientific-Atlanta
magazine (R)
Sports Illustrated (R)
Wall Street Journal (R)

The Silent Network

Campbell's Soup (R)
Hallmark Cards (R)
Lloyd's Hearing Aids (R)
Magnastitch (R)
Solarts (R)
Ultratec TDD (R)

The Weather Channel

American Motors (R)
AT&T (R)
CertainTeed (N)
Fuller O'Brien (N)
Hartford Insurance (R)
International Spike (R)
Michelin (R)
Nutri-System (R)
Prudential-Bache (R)
Ralston Purina (R)
Sears Roebuck & Co. (R)
Sentry Hardware & Co. (R)
Thompson Medical Co. (N)
Thoro Systems (R)
Timex (N)
Union Carbide (R)
United Airlines (R)
U.S. Virgin Islands (N)

R denotes renewal client.

N denotes new client.

*Listing is comprised of both advertisers and program underwriters.

†New and renewal information not available.

Source: Advertising clients are provided by the programs services to International Thomson Communications Inc.